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Tata Motors Consolidated Q1 FY23 Results:
Revenue ₹ 71.9KCr, EBITDA at ₹ 5.3KCr, PBT (bei) ₹ (5.0)KCr, Auto FCF ₹ (9.8) KCr

- Consolidated Revenue ₹ 71.9KCr, up 8.3%, EBITDA at 7.4% (- 90 bps), EBIT at -0.7% (+60 bps)
- JLR Revenue £ 4.4b, down 11.3%, EBITDA at 6.3% (-270 bps), EBIT at -4.4% (-350 bps)
- Tata CV Revenue ₹ 16.3KCr, up 107.2%, EBITDA at 5.5% (+430 bps), EBIT at 2.8% (+690 bps)
- Tata PV Revenue ₹ 11.6 KCr, up 122.5%, EBITDA at 6.1% (+200 bps), EBIT at 0.9% (+750 bps)

Mumbai, July 27, 2022: Tata Motors Ltd announced its results for quarter ending June 30, 2022. The results represent the details on consolidated segment level.

Q1 FY23		Consolidated (₹ Cr Ind AS)		Jaguar Land Rover (£m, IFRS)		Tata Commercial Vehicles (₹Cr, Ind AS)		Tata Passenger Vehicles (₹Cr, Ind AS)	
		Q1 FY23	Vs. PY	Q1 FY23	Vs. PY	Q1 FY23	Vs. PY	Q1 FY23	Vs. PY
	Revenue	71,935	**8.3 %**	4,406	**(11.3) %**	16,270	**107.2 %**	11,556	**122.5 %**
	EBITDA (%)	7.4	**(90) bps**	6.3	**(270) bps**	5.5	**430 bps**	6.1	**200 bps**
	EBIT (%)	(0.7)	**60 bps**	(4.4)	**(350) bps**	2.8	**690 bps**	0.9	**750 bps**
	PBT (bei)	(4,962)	-	(524)	-	302	-	14	-

Jaguar Land Rover (JLR): Retail sales in Q1 FY23 were 78,825 vehicles, broadly flat compared with Q4 FY22 and down 37% compared with Q1 FY22. Revenue was £4.4 billion in Q1 FY23, down 7.6% from Q4 FY22, impacted by supply challenges including semiconductor shortages, slower than expected ramp-up of the New Range Rover and New Range Rover Sport production and China lockdowns. The customer order book grew further to 200,000 vehicles. The loss before tax in the quarter was £(524) million before a £155 million favourable exceptional pension item. The loss primarily reflects the lower wholesale volumes with weaker mix, as well as unfavourable inflation £(161) million and currency and commodity revaluation £(236) million year on year. The EBIT margin was (4.4)% reflecting the lower volumes and unfavourable mix. Free cashflow was negative in the quarter £(769) million, primarily reflecting £(616) million of unfavourable working capital movements.

Tata Commercial Vehicles (Tata CV): Tata CV business witnessed strong volumes growth as compared to Q1 FY22 (a Covid impacted quarter). The growth in Q1 FY23 has been broad-based across regions and segments. For India business, domestic wholesales were at 95,895 vehicles (+124% yoy). Exports were however at 5,218 vehicles, lower 22.6% affected by financial crisis in few export markets. The margin improvement was aided by higher volumes, realizations, and stable commodity prices.

Tata Passenger Vehicles (Tata PV): Tata PV business continued its strong momentum with wholesales at 130,351 vehicles, up 101.7% vs Q1 FY22. Demand for passenger vehicles continued to stay strong in Q1 FY23 even as the supply side remained moderately impacted. The SUV portfolio contributed 68% of Q1 FY23 sales. Margin improvement was led by strong volumes, improved mix, and impact of higher operating leverage.

Outlook: We expect demand to remain strong despite worries on inflation and geo-political risks while the supply situation is expected to improve further. Cooling commodity prices are expected to aid improvement in underlying margins. We aim to deliver strong improvements in EBIT and free cash flows from Q2 onwards to get to near net auto debt free by FY 24.

JAGUAR LAND ROVER (JLR)

HIGHLIGHTS

- Semiconductor related production constraints compounded by slower than expected production ramp up of New Range Rover and Range Rover Sport
- Covid-19 lockdowns in China also impacted production and sales in the quarter
- Retail sales in Q1 flat vs. Q4, while wholesales 6% lower vs Q4
- Loss before tax of £(524)m, excluding an exceptional £155m pensions benefit but including £(236)m FX and commodity revaluation year on year
- Demand remains strong with a record 200,000 client orders, with Range Rover, Range Rover Sport and Defender accounting for over 60% of client orders.
- Chip supply expected to gradually improve; continue to expect significant improvement in volumes and profitability over the balance of the financial year ending March 31, 2023
- Strong liquidity of £5.2 billion, including £3.7 billion cash at June 30, 2022 and £1.5 billion undrawn revolving credit facility from July

REIMAGINE TRANSFORMATION CONTINUES

- Reimagine, our strategy to deliver the future of modern luxury to our clients and to achieve net zero carbon emissions across supply chain, products and operations by 2039, continues at pace
- Barbara Bergmeier appointed Executive Director of Industrial Operations to transform our global purchasing, supply chain and manufacturing functions
- Refocus transformation programme delivered a further £250 million of value in Q1, in addition to the £1.5 billion delivered in FY22 and is on track to deliver a target of £1 billion plus improvements in the year to help mitigate the impact of inflation
- Investment spending of £2.6 billion planned for the full year to deliver our Reimagine product plans, including the rapid electrification of the product portfolio
    - Range Rover BEV will be launched in 2024 as part of six new Range Rover, Defender, and Discovery models planned by end 2026
    - Transformation of Jaguar into an all-electric luxury brand remains on track with first new vehicles to be revealed before end 2024
- Plans underway to deliver our ambitious SBTi-approved 2030 targets to reduce greenhouse gas emissions across our operations by 46% and across our value chain by 54% per vehicle by 2030

LOOKING AHEAD

Financial performance is expected to improve significantly over the year with chip supply expected to improve through enhanced supplier engagement including long-term partnership agreements as well as ramping up New Range Rover and Range Rover Sport production. We continue to target achieving a 5% EBIT margin and £1 billion positive free cash flow in FY23. Our medium- and longer-term financial targets under the Reimagine strategy, underpinned by the Refocus transformation programme, remain unchanged, including improving EBIT margins to 10% or more by FY26 and improving free cash flow to achieve near zero net debt by FY 24.

Thierry Bolloré, Jaguar Land Rover's Chief Executive Officer, said:

"Our strategy to deliver the future of modern luxury to our clients continues at speed, as we accelerate our plans for an electric-first, brand-led business. Although headwinds from the global semiconductor supply and COVID lockdowns in China have impacted our business performance this quarter, I am pleased to confirm that we have a completely reinforced organisation setup to respond to the semiconductor crisis. This is now starting to recover production growth to achieve greater volumes and will allow us to take advantage of our record order book in the second quarter."

TATA COMMERCIAL VEHICLES (TATA CV)

HIGHLIGHTS

- Q1 revenue at ₹ 16.3KCr, (+107%), EBITDA 5.5% (+430 bps), EBIT 2.8% (+690 bps), PBT (bei) 0.3 K Cr.
- Q1 Tata CV global wholesales stood at 103.7K units (+100.3%).
- Q1 CV domestic wholesales at 95.9 K units (+124%), domestic retails at 90.5K units in (+119%).
- Domestic CV market share at 42.5% in Q1'FY23 (-240 bps vs FY 22); expect to improve in coming quarters.
- TML Smart City Mobility Limited incorporated for undertaking mass mobility under an own, operate and maintain mode.
- Q1 FCF negative at ₹ (4.1)K Cr, primarily due to adverse working capital.

FINANCIALS

The CV industry is witnessing a steady recovery post COVID challenges of last year as the economy is gaining traction. The M&HCV and I&LCV segments grew over the same quarter (Q1) last year on the back of increased activity in road construction, mining, and growth in agriculture and e-commerce. SCV demand from last-mile distribution has remained robust backed by continued consumer spending. CV Passenger saw a strong recovery, with a 60% increase over Q4 FY22, due to the opening of schools and replacement of staff buses.

For India business, domestic wholesales were at 95,895 vehicles (+124% yoy). Exports were however at 5,218 vehicles, lower 22.6% affected by financial crisis in few export markets. Volumes were 15.6% lower q-o-q on account of seasonality and weaker exports.

Revenues were at ₹ 16.3KCr, (+107% yoy), (-12% qoq). EBITDA margins and EBIT margins were at 5.5% and 2.8% respectively (+ 430 bps and +690 bps yoy). The margin improvement was aided by higher volumes, better realizations and stable commodity prices.

LOOKING AHEAD

The CV industry is poised for growth on the back of increased infrastructure activity, demand for last mile mobility and strong recovery in bus segment, due to demand for public transportation. The supply situation continues to show improvement. We remain cautiously optimistic about overall demand while keeping a close watch on interest rates and transporter profitability. Cooling commodity prices would aid improvement in underlying margins. Focus remains on steady improvement in market share on the back of strong product portfolio and restoring double digit EBITDA through better realisation, improved mix and strong cost savings whilst continuing to invest aggressively in future technologies and business models.

Girish Wagh, Executive Director Tata Motors Ltd said:

"The CV industry continued to witness rising demand across all segments led by a reviving economy. With the sequential easing of semiconductor shortage and our ramp-up agility, Tata Motors delivered a strong quarter with sales of 1,01,113 units registering 100% growth versus Q1 FY22. During Q1 FY23, we marked a significant leap forward in our commitment towards promoting sustainable mobility with the delivery of ~100 e-buses and successful launch of the Ace EV, which provides a green and smart transport solution for a wide variety of intra-city applications. We also signed a strategic Memorandum of Understanding with leading e-commerce companies and logistics service providers to deliver 39,000 units of the Ace EV along with its enabling eco-system. Furthermore, we also received a letter of allocation of 1500 e-buses from Delhi Transport Corporation, as part of the larger entitled order of 5000 e-buses, from the recently won CESL tender. Going forward, we remain cautiously optimistic about overall CV-demand while keeping a close watch on interest rates, input costs, transporter profitability, and semiconductor availability."

TATA PASSENGER VEHICLES (TATA PV)

HIGHLIGHTS

- Q1 revenue at ₹ 11.6KCr, (+122%), EBITDA 6.1% (+200 bps), EBIT 0.9% (+750 bps), PBT (bei) breakeven.
- Q1 Tata PV global wholesales at 130.4K units (+102%).
- Q1 PV domestic wholesales at 130.1 K units (+102%), domestic retails at 124.8K units (+ 132%).
- Q1 EV volumes highest at 9.3 K units (+444%). EV penetration at 7%.
- CNG penetration increased to 11% in Q1 FY23. Tiago and Tigor CNG well received by the market.
- Domestic PV market share strengthened further by 220 bps to 14.3% in Q1 FY23.
- EV Fleet segment witnessed strong demand, signed MOU with Lithium Urban Technologies for 5,000 EVs, BluSmart Electric Mobility for 10,000 XPRES T EVs.
- Q1 FCF positive at ₹ 1.2KCr. Cash profits funding investments.

FINANCIALS

Tata PV business continued its strong momentum. Robust demand for New Forever range and agile actions taken on the supply side drove volumes growth. On backdrop of strong volumes, Q1 revenue stood at ₹ 11.6KCr, (+122%), EBITDA 6.1% (+200 bps), EBIT 0.9% (+750 bps), PBT (bei) was at breakeven. Higher operating leverage drove strong improvement in EBIT margin and PBT(bei). As compared to Q4 FY22, revenues grew further by 10%, despite supply side being moderately impacted due to lockdowns in China. Market shares improved to 14.3% in Q1 FY23.

LOOKING AHEAD

In Passenger Vehicles, the company will continue to drive strong sales performance and sustain profitability and cash flow improvement measures. In Electric Vehicles, the business will drive up penetration and accelerate sales further as the supply situation improves. The business will continue to step-up new product launches and introduce exciting variants across segments. Despite significant step-up in investments, the PV business is expected to remain self-sustaining whilst the EV business investments are well funded with the capital infusion.

Shailesh Chandra, Managing Director Tata Motors Passenger Vehicles Ltd & Tata Passenger Electric Mobility Limited said:

Demand for passenger vehicles continued to stay strong in Q1 FY23 even as the supply side remained moderately impacted. Overcoming all challenges, Tata Motors consistently set new sales records every month in passenger vehicle to record the highest ever wholesales and production of ~130,000 vehicles, twice as compared to Q1FY22. Electric vehicle sales too scaled new peaks month-on-month to deliver over 440% growth in Q1 FY23 versus Q1 FY22.

During the quarter, we presented two new, future oriented, sustainable mobility concepts- 'Curvv' and 'AVINYA' that will introduce India to new vehicle typographies and experiences. While the 'Curvv', will be launched first as an EV and thereafter with internal combustion engine, 'AVINYA' is our vision of a pure electric vehicle that offers unparalleled roominess and comfort; delivers wellness with a premium experience; and comes packed with new age technology. We also launched the Nexon EV Max in Q1 FY23 and are seeing a robust demand for this extension of India's best-selling EV.

Going forward, we expect the supply side, including that of critical electronic components to progressively improve. We continue to monitor the evolving demand and supply situation and will stay nimble to take necessary actions swiftly."

ADDITIONAL COMMENTARY ON FINANCIAL STATEMENTS

(CONSOLIDATED NUMBERS, IND AS)

FINANCE COSTS

Finance costs increased by ₹ 217 Cr to ₹ 2,421 Cr during Q1 FY23 due to higher gross borrowings.

JOINT VENTURES, ASSOCIATES AND OTHER INCOME

For the quarter, net profit from joint ventures and associates amounted to ₹36Cr compared with a loss of ₹ 130Cr in Q1 FY'22. Other income (excluding grants) was ₹ 340Cr in Q1 FY23 versus ₹ 240Cr in Q1 FY22.

FREE CASH FLOWS

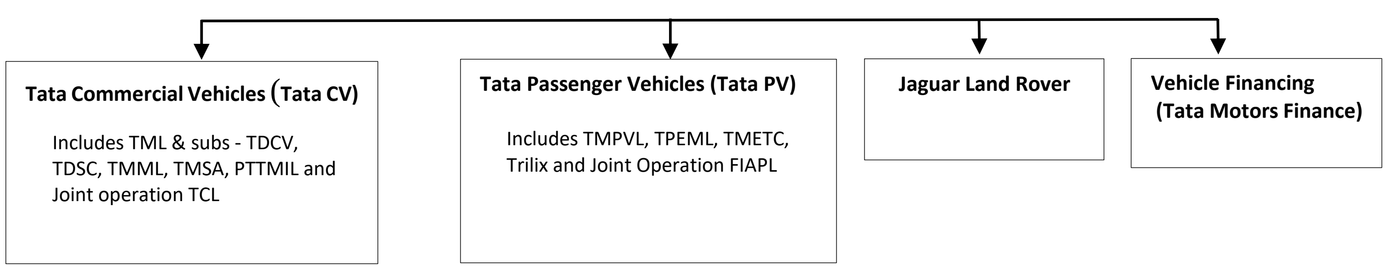
Free cash flow (automotive) in the quarter, was negative at ₹ 9.8 KCr (as compared to negative ₹ 18.2K Cr in Q1 FY 22), primarily due to working capital impact of ₹8.9 KCr.

REPORTING FORMAT

The press release represents results provided the details on consolidated segment level. The operating segment comprise of automotive segment and others.

In automotive segment, results have been presented for entities basis four reportable sub-segments as below

TML Group Automotive business



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